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Editorial: Now Democrats know what's in Obamacare

Obamacare is faltering under its own bureaucratic weight

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"We have to pass the bill so that you can find out what is in it ... " then-U.S. House Speaker Nancy Pelosi on Obamacare legislation, March 9, 2010.

Not long after she uttered that infamous phrase, Pelosi got her way. She stampeded House Democrats to vote for a massive, complex Obamacare plan that few lawmakers in either party had time to understand. She and Democratic Senate leaders ramrodded Obamacare without a single Republican vote.

Democratic lawmakers voted for a bill without a clear idea of how well it would work.

Now they know.

Obamacare is faltering under its own bureaucratic weight. Massive computer problems are preventing people from signing up for coverage in the new online marketplaces. Worse, many people who finally manage to log in suffer sticker shock at high insurance premium or deductible prices.

Democrats are breaking ranks. And, predictably, there's a rising cry to fire people who are responsible for the mess, including Health and Human Services Secretary Kathleen Sebelius.

"Somebody's got to man up here, get rid of these people," said Rep. Rick Nolan, D-Minn., who didn't name names but characterized the president's response to the rollout as "weak."

"There are people like myself who supported the Affordable Care Act, but I'm not oblivious to the fact that this layout has done harm and damage to the brand," he said.

The brand? Obamacare's got all the appeal of MySpace, Friendster or BlackBerry now.

On Thursday, government contractors who built the system told a House committee that they did not have enough time to test the system before its debut. We already knew that. The law piled thousands of pages of rules and regulations on employers, individuals, insurers. Those rules were *still flowing* out of the administration even as the exchanges were being readied to open. Sebelius is set to testify next week. She's saying that President Barack Obama didn't know about the problems with the health insurance website before it went live.

Really? We know Obama's busy, but didn't he see those Government Accountability Office warnings that many technical hurdles needed to be overcome for the system to start on time? Obama and Sebelius promise a "tech surge" to fix all the computer problems. But as Democrats now see, the problems with the law they passed aren't buried in a thicket of computer code.

- The promise that the law would deliver affordable care? Ask those Chicagoans who face deductibles that are thousands of dollars higher than their current coverage. The sticker shock is nationwide: People in some of the poorest rural areas must choose from some of the nation's highest-priced plans, The New York Times reports.

- The president's oft-repeated promise that you can keep your current coverage if you want to? Insurers are telling many Americans that their existing policies won't be renewed, so they'll have to shop for new ones.

- You can keep your doctors? In some plans insurers cut costs by offering people narrow networks, excluding some of the best physicians and hospitals.

Congress can start to fix this mess by delaying the mandate that everyone have insurance or pay a penalty. As it is now, people

must sign up for insurance by March 31 to avoid penalties. The feds already have granted a one-year reprieve on the companion mandate that *employers* provide insurance or pay fines. The administration has allowed any number of carve-outs for other special pleaders.

A delay in the *individual* mandate isn't a special break. It's simple fairness.

In the rush to pass Obamacare, Democratic leaders reassured lawmakers that Americans would love it, once they understood it. Alas, we all understand it — better than the lawmakers who enacted it did.

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WALL STREET JOURNAL ARTICLE:

WSJ

Federal Health Site Stymied By Lack of Direction

By CHRISTOPHER WEAVER and LOUISE RADNOFSKY

Absence of Single Leader, Disjointed Bureaucracy Tied to Troubles

A team of young policy experts energized by President Barack Obama's health law toiled for three years in a Bethesda, Md., office building to draw up specifications for the federally run insurance marketplace.

Forty miles away at the Centers for Medicare & Medicaid Services' Baltimore headquarters, longtime agency computer experts with different bosses oversaw building the site's software and hardware components.

And in Washington, White House advisers worked to preserve the law

through treacherous politics, sometimes stalling final decisions about the site, HealthCare.gov, to avoid controversy ahead of the 2012 presidential election.

As it becomes clear that no single leader oversaw implementation of the health law's signature online marketplace—a complex software project that would have been difficult under the best circumstances—the accounts of more than a dozen current and former officials show how a disjointed bureaucracy led to the site's disastrous Oct. 1 launch.

Problems persisted Sunday. A federal data hub that verifies the identity and income of people applying for subsidized insurance from 14 state-run exchanges and 36 exchanges run by the federal government failed when the company hosting the hub lost its network connectivity, the administration said.

Divergent agency cultures, political directives that clashed with operational deadlines, a compressed timeline and dispersed geography led to the federal site's technical failures, those people said. The glitches have locked out millions of users, left insurers to sift through flawed data and given new ammunition to Republican detractors of the health law.

A White House official said its experts were involved in policy making and some interagency coordination. They were briefed on the website's development, but relied on the technical team of CMS, as the Medicare and Medicaid agency is known, for operational decisions, the official said.

The administration last week named a single person to fix the exchange, veteran troubleshooter Jeffrey Zients, and a single company, Quality Software Services Inc., a unit of UnitedHealth Group Inc. that already held a contract to build part of the site, to act as general contractor on the effort. Mr. Zients gave the government's first specific estimate for when the site would have most problems

repaired: the end of November.

Key work to create the website was given to CMS, which had experience running a site for Medicare drug plans. But the agency, which is overseen by Health and Human Services Secretary Kathleen Sebelius, had a siloed management structure, and no single unit was designed to pull off a mammoth task like HealthCare.gov.

In one camp were computer experts reporting to a veteran CMS official, Michelle Snyder, who were among the first to recognize the scale of the problems facing the website, current and former officials say, such as errors in the calculation of insurance prices and eligibility determinations.

But a separate policy arm built the road map for what the exchange needed to accomplish, with strained communication with its computer counterparts; that team reported to Gary Cohen, a former California lawyer.

Word of the software problems was slow to reach Mr. Cohen, who testified to Congress on Sept. 19 that the exchange was on track even as the agency's computer experts were working around the clock at a key contractor location to hammer out a host of unanticipated flaws.

Ms. Snyder and Mr. Cohen referred requests for comment to the CMS media office.

In a statement, Julie Bataille, the CMS communications director, said: "The CMS administrator, Marilyn Tavenner is in charge of the agency's implementation of the Affordable Care Act." She said delegating tasks to different arms of the agency is the norm and that "business and infrastructure personnel have been, and continue to, work closely together to ensure improvements are rapidly deployed."

When CMS presented HealthCare.gov to White House officials over

the summer, they displayed a demonstration version of the website composed of screen-shots of the real exchange and overlaid with interactive features.

That version recreated the user interface, but didn't include the underlying mechanics—such as identity verification and eligibility determinations—that have foiled the site's launch. Displaying such versions for demonstration purposes is common in the computer industry. But it left senior officials unaware of the more complicated and ultimately troubled workings of the exchange.

Meanwhile, critical deadlines to begin testing the real system were already slipping by, current and former officials and insurance executives said.

The administration's most senior officials, including President Obama in a Rose Garden address last week, have acknowledged they were unprepared for the depths of the exchange's flaws, which have prompted some Republicans to call for Ms. Sebelius's resignation.

CMS agency didn't respond to specific questions, including about the test version of the website presented to senior officials.

HealthCare.gov is the highest-profile experiment yet in the Obama administration's effort to modernize government by using technology, with the site intended to become a user-friendly pathway to new health insurance options for millions of uninsured Americans.

"This was the president's signature project and no one with the right technology experience was in charge," said Bob Kocher, a former White House aide who helped draft the law.

The outcome—a partially finished product that, despite improvements, has allowed only a trickle of users to enroll—also jeopardizes the core of the health overhaul. Sicker, older consumers

who expect to need health services are more likely to fight through the glitches to sign up for insurance plans, insurers worry. Without enough healthier people to offset their costs, that could drive rates up next year.

"The more time this goes on, it becomes more of an issue for all insurers," said Allan Einboden, chief executive of Scott & White Health Plan in Temple, Texas, which so far has enrolled about 30 exchange customers, most age 50, a potential early sign of trouble.

As the delays continue, congressional Republicans contend the requirement that people obtain coverage or pay a fine, central to the law, should be abandoned for a full year, and the argument is gaining some traction among Democrats.

The Obama administration's management troubles with the site trace to the first days after the law cleared Congress in March 2010, people familiar with the matter say.

That April, a new Health and Human Services agency was formed to oversee the laundry list of health-law provisions affecting private insurance. The new Office of Consumer Information and Insurance Oversight attracted senior state-level officials, former insurance-industry experts and enthusiastic staffers drawn to what appeared to be the center of the health-overhaul push, according to people who worked there.

But the office cycled through four leaders in three years. Mr. Cohen, the current chief, was appointed in August 2012.

Less than a year after its inception, the insurance office was subsumed by CMS in part to protect the new office from congressional budget axes, then wielded by a new Republican House majority, former officials familiar with the matter said.

The combination of the two agencies led to a culture clash as parts of exchange development were assigned to career civil servants in other units of CMS, people from both sides say.

President Obama's advisers, including his most prominent health aide, Jeanne Lambrew, frequently weighed in on regulations and website design carried out by the insurance office, but weren't focused on computer issues, said former White House officials and others familiar with the matter.

Ms. Lambrew didn't respond to requests for comment.

While officials in the insurance office continued drafting the road map for the exchange, computer experts reporting to Ms. Snyder were given oversight of contractors hired to help carry it out. The CMS experts also were given the task of being the so-called systems integrator, an unusual job for the agency, acting as a sort of general contractor to cobble together the components of the site.

Government contractors said the arrangement contributed to confusion over their roles. "It was like building a bridge by starting from both sides of the river," one person familiar with the development said. "You hoped they met in the middle."

The CMS computer arm was charged with setting deadlines for contractors, people familiar with the matter said. These officials were expected to attend meetings called by policy makers to hammer out details of the website specifications, the people said. One person said computer workers skipped some of these sessions altogether. CMS declined to comment on the sessions.

Politics intervened, too, people familiar with the matter said. Key regulations stalled inside the White House Office of Management and Budget for months while the Supreme Court weighed the constitutionality of the law and the president campaigned for re-

election in the 2012 contest.

In one case, a rule governing the design of plans to be sold on the exchange was completed and signed by Ms. Tavenner, the CMS administrator, on May 15, 2012, approved by Ms. Sebelius that Aug. 6 but not released publicly until Nov. 26, three weeks after the election, regulatory records show.

HHS spokeswoman Joanne Peters said many of the law's major regulations were released before November 2012.

As the launch neared, the exchange's managers were increasingly disconnected. By early September, the CMS computer arm had sent personnel to work with contractors at a key site in Herndon, Va., operated by CGI Group Inc., one of the main contractors.

Testing of the system by insurers that had been scheduled for July didn't begin until the third week of September, said people familiar with the development and insurance executives who participated in testing. Dozens of features of the site were behind schedule, they said.

On Oct. 1, nearly three million consumers stormed the site. It crashed as the first wave sought to create accounts.